



News From:

U.S. Congressman John B. Larson

serving Connecticut's First District

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LARSON GIVES LOCAL CITIZEN CREDIT FOR SPECULATION BILL

Bill to lower oil prices and restore the market passes the House.

Washington, DC - Today, the House of Representatives passed legislation that will restore integrity to our energy futures markets. It restores the fundamentals of supply and demand in a market that has been struck by rampant speculation.

Congressman John B. Larson (CT-01), Vice Chair of the Democratic Caucus, said:

“The best ideas in Washington often come from outside of Washington. Today, we see the result of one of those ideas. In January John Mitchell, the former Mayor of South Windsor and an oil dealer, came to me with a problem. The cost of a barrel of petroleum was skyrocketing and local senior citizens were being forced to turn over their entire Social Security checks to fill their home heating oil tanks. He told me that these prices weren't the result of supply and demand, but rather speculators in the energy futures market who were unfairly driving up the cost. So we worked together to solve this problem. And today, we take the first major step towards remedying that situation.

“I commend all of my colleagues who have worked hard to bring this legislation to the floor, including Colin Peterson, Chairman of the Agriculture Committee, Bart Stupak, Rosa DeLauro and Chris Van Hollen.

“In the past few weeks we have seen the price of a barrel of oil suddenly drop from about \$150 to below \$100. This drop wasn't because of any increase in supply or decrease in demand. It was because speculators got nervous. They saw Congress beginning to take a harder line against them and they saw innovative Americans finding ways to reduce their consumption of oil.

“This is just the beginning. The market manipulation that the Bush Administration has turned a blind eye to for years will be stopped. In so many sectors of our economy - banking, mortgages, energy - Bush and the Republicans took the referee off the field and the American people are suffering because of it. They allowed a few greedy investors to run away with our markets. Well, this legislation puts the referee back on the field.

“This is real reform for the real people. It puts Main Street - not Wall Street - first.”

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